

[First Reprint]

# **SENATE CONCURRENT**

## **RESOLUTION No. 1**

# **STATE OF NEW JERSEY**

## **214th LEGISLATURE**

INTRODUCED FEBRUARY 8, 2010

**Sponsored by:**

**Senator STEPHEN M. SWEENEY**

**District 3 (Salem, Cumberland and Gloucester)**

**Senator THOMAS H. KEAN, JR.**

**District 21 (Essex, Morris, Somerset and Union)**

**Co-Sponsored by:**

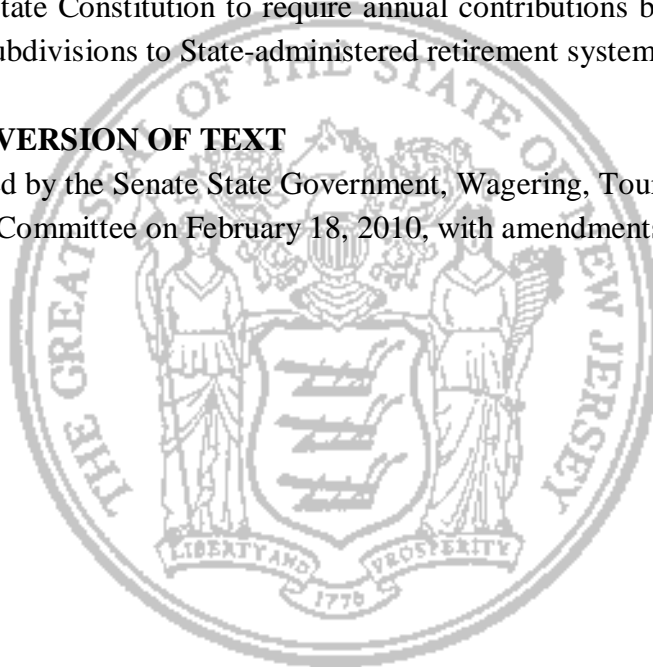
**Senators Van Drew, Vitale, Lesniak, Oroho, Codey, Cunningham, Beach,  
Gordon, Bateman, O'Toole, A.R.Bucco, Cardinale, Baroni, Stack, Scutari,  
Madden, Buono, Ruiz, Sarlo, Gill, Pennacchio and Ciesla**

### **SYNOPSIS**

Amends State Constitution to require annual contributions by the State and its political subdivisions to State-administered retirement systems.

### **CURRENT VERSION OF TEXT**

As reported by the Senate State Government, Wagering, Tourism & Historic Preservation Committee on February 18, 2010, with amendments.



**(Sponsorship Updated As Of: 3/5/2010)**

1 A **CONCURRENT RESOLUTION** proposing to amend Article VIII,  
2 Section II of the Constitution of the State of New Jersey by the  
3 addition of a new paragraph 8.

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5 **BE IT RESOLVED** *by the Senate of the State of New Jersey (the*  
6 *General Assembly concurring):*

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8 1. The following proposed amendment to the Constitution of  
9 the State of New Jersey is agreed to:

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11 PROPOSED AMENDMENT

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13 Amend Article VIII, Section II by the addition of a new  
14 paragraph 8 to read as follows:

15 8. Commencing July 1, 2011 and thereafter, the contribution  
16 required, by law, to be made by the State 'and by any political  
17 subdivision of the State<sup>1</sup>' to any defined benefit retirement system or  
18 fund administered by the State for public officers and employees in  
19 the State shall be made in full each year to each system or fund in  
20 the manner and at the time provided by law. The contribution shall  
21 be computed by actuaries for each system or fund based on an  
22 annual valuation of the assets and liabilities of the system or fund  
23 pursuant to consistent and generally accepted actuarial standards  
24 and shall include the normal contribution and the unfunded accrued  
25 liability contribution. The State, with regard to its obligations  
26 funded through the annual appropriations act, shall be in  
27 compliance with this requirement provided the State makes a  
28 payment, to each State-administered retirement system or fund, of  
29 at least 1/7th of the full contribution, as computed by the actuaries,  
30 in the State fiscal year commencing July 1, 2011 and a payment in  
31 each subsequent fiscal year that increases by at least an additional  
32 1/7th until payment of the full contribution is made in the seventh  
33 fiscal year and thereafter.

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35 2. When this proposed amendment to the Constitution is finally  
36 agreed to pursuant to Article IX, paragraph 1 of the Constitution, it  
37 shall be submitted to the people at the next general election  
38 occurring more than three months after the final agreement and  
39 shall be published at least once in at least one newspaper of each  
40 county designated by the President of the Senate, the Speaker of the  
41 General Assembly and the Secretary of State, not less than three  
42 months prior to the general election.

**EXPLANATION** – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SSG committee amendments adopted February 18, 2010.

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3. This proposed amendment to the Constitution shall be submitted to the people at that election in the following manner and form:
- There shall be printed on each official ballot to be used at the general election, the following:
- a. In every municipality in which voting machines are not used, a legend which shall immediately precede the question as follows:
- If you favor the proposition printed below make a cross (X), plus (+), or check (✓) in the square opposite the word "Yes." If you are opposed thereto make a cross (X), plus (+) or check (✓) in the square opposite the word "No."
- b. In every municipality the following question:

	YES	<p>CONSTITUTIONAL AMENDMENT TO REQUIRE <u>'EACH PUBLIC EMPLOYER IN'</u> THE STATE TO PAY IN FULL ITS ANNUAL CONTRIBUTION TO PENSION PLANS FOR PUBLIC EMPLOYEES</p> <p>Shall the amendment to Article VIII, Section II of the New Jersey Constitution, agreed to by the Legislature, requiring the State <u>'and each political subdivision of the State'</u> to pay each year, beginning July 1, 2011, the full amount of the contribution it is required to pay, as calculated by actuaries, to any pension plan operated by the State for public employees, and requiring the contribution to be computed by actuaries based on an annual valuation of the assets and liabilities of each plan, except that the State could comply with this requirement by making a payment of at least 1/7th of the full contribution in the first year and increasing its payment by at least an additional 1/7th in each of the six years thereafter, be approved?</p>
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	NO	<p>INTERPRETIVE STATEMENT</p> <p>This constitutional amendment requires the State <u>'and each political subdivision of the State'</u> to pay each year, beginning on July 1, 2011, the full amount of the contribution that it is required by law to pay to any pension plan operated by the State for public employees. <u>'A political subdivision of the State includes a county, municipality, and board of education, and any agency, board, commission, and authority thereof.'</u> The amendment requires the amount of the contribution to be determined by actuaries for each plan based on an annual report, prepared by the actuaries, that calculates the assets and liabilities of the plan. The amendment permits the State to comply with this requirement by making a payment of at least 1/7th of the contribution in the first year and increasing its payment by at least an additional 1/7th in each of the following six years in order to permit the State to gradually adjust the annual appropriations act to accommodate these payments.</p>
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